

COASTAL CONSERVANCY

Staff Recommendation
November 9, 2006

ADOPTION OF THE SAN FRANCISCO BAY AREA INTEGRATED REGIONAL WATER MANAGEMENT PLAN

File No. 04-067
Project Manager: Jeff Melby

RECOMMENDED ACTION: Adoption of the San Francisco Bay Area Integrated Regional Water Management Plan.

LOCATION: San Francisco Bay Watershed, including the nine counties of the San Francisco Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma).

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Project Location

Exhibit 2: September 15, 2004 and March 2, 2006
Staff Recommendations

Exhibit 3: Bay Area IRWMP Executive Summary

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160–31165 of the Public Resources Code:

“The State Coastal Conservancy hereby adopts the *San Francisco Bay Area Integrated Regional Water Management Plan* (“IRWMP”, a copy of which is maintained at www.bayareairwmp.net), a planning study based on data compilation that specifies goals and objectives for the San Francisco Bay Area and identifies priority projects which may be implemented with grant funding from Chapter 8 of Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. By adopting the IRWMP, the Conservancy acknowledges support for the implementation and continued development of the IRWMP to meet the IRWMP goals and objectives. However, the Conservancy is not making any commitment to expend funds or to implement any project identified in the IRWMP, except to the extent that the Conservancy has previously authorized implementation of a specific project or projects. The Conservancy shall determine, in its sole discretion and through a project-specific authorization, whether the Conservancy will fund or implement any IRWMP-identified project in the future, based on

assessment of the merits of the project, its consistency with Conservancy enabling legislation, environmental review as required by the California Environmental Quality Act, and any other factors the Conservancy deems relevant. Adoption of the IRWMP does not preclude the Conservancy from funding or engaging in any other planning activities for the San Francisco Bay Area, from undertaking projects not identified in the IRWMP, or from efforts to secure funding for Conservancy projects from any source.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed adoption is consistent with Chapter 4.5 of Division 21 of the Public Resources Code (Sections 31160 *et seq.*), regarding the Conservancy’s mandate to address the resource and recreational goals of the San Francisco Bay Area.
2. The proposed adoption is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy Board on January 24, 2001.”

PROJECT SUMMARY:

The Bay Area IRWMP is a multi-stakeholder, nine-county effort to coordinate a strategic approach to regional water management. The Plan builds on water resources needs and planning strategies identified throughout the Bay Area, leveraging regional cooperation to more effectively address the needs identified. Adoption of the San Francisco Bay Area Integrated Regional Water Management Plan (IRWMP or the Plan, available for review at www.bayareairwmp.net) would enable the Conservancy and other stakeholders in the Bay Area (Exhibit 1) to be eligible for Proposition 50 project funding. The Integrated Regional Water Management (IRWM) Grant Program Guidelines mandate that the Plan be formally adopted, as evidenced by a resolution or other written documentation, by the governing bodies of the agencies and organizations that participated in the development of the Plan and have responsibility for implementation of the Plan. Adoption signifies concurrence with the regional goals and objectives of the Plan.

The Conservancy has been involved in the development of the Watershed Management and Habitat Protection and Restoration (Watershed) and the Flood Protection and Stormwater Management (Flood/Stormwater) “functional area” components of the Bay Area IRWMP, in the integration of those components into the IRWMP, and in the overall development of the IRWMP. Following adoption, the Bay Area IRWMP will be carried out through implementation of priority projects identified in the Plan by various project proponents. Adoption of the Plan does not commit the Conservancy to carry out any specific project identified in the IRWMP, nor does it eliminate the usual discretion of the Conservancy to determine what project or projects to fund or whether or not to fund a particular project. However, adoption of the IRWMP would indicate Conservancy concurrence with the IRWMP regional goals and objectives.

IRWMPs are intended to provide a new model for water resources management in California. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002

(“Proposition 50”), found at Water Code Section 79560 *et seq.*, passed by California voters in November 2002, authorized the issuance of general obligation bonds in the amount of \$3.4 billion to fund a variety of specified water and wetlands projects. It set aside \$380 million for IRWMP-related grants, which has led to similar planning efforts throughout the state. The intent of the IRWM grant program, administered jointly by the California Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB), is to encourage integrated regional strategies for management of water resources and to provide funding, through competitive grants, for projects that utilize multiple strategies, resulting in multiple benefits. These benefits include improved water supply reliability, long-term attainment and maintenance of water quality standards, eliminated or reduced pollution in impaired water and sensitive habitat areas, planning and implementation of multipurpose flood control programs, and drinking water and water quality projects that serve disadvantaged communities.

The IRWMP builds on the Watershed component (previously referred to as the Watershed Management and Habitat Protection and Restoration Plan, WMHPRP, or Watershed Plan) developed through Conservancy funding authorized on September 15, 2004 and on March 2, 2006 (attached as Exhibit 2). Under those authorizations, the latter of which included acceptance of an IRWM planning grant from DWR, the Conservancy entered into contracts with consultants, the Center for Collaborative Policy, and the Association of Bay Area Governments/San Francisco Estuary Project (ABAG/SFEP) to develop the Watershed component and to integrate it into the Bay Area IRWMP. The Watershed component:

- includes an inventory of existing information about watersheds and wetland habitats in the region;
- identifies challenges to their management, protection and restoration in relation to water quality, water supply and flood protection issues; and
- identifies and prioritizes multi-objective projects for implementation using Proposition 50 and other funding sources.

The Bay Area IRWMP must be adopted by January 1, 2007 in order to be eligible for project implementation grant funding under the IRWM (Proposition 50, chapter 8) grant program. In addition to the Conservancy, the following eighteen Bay Area agencies participated in the development of and are expected to adopt the IRWMP:

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| • Alameda County Water District | • East Bay Municipal Utility District |
| • ABAG | • Marin Municipal Water District |
| • Bay Area Clean Water Agencies | • North Bay Watershed Association |
| • Bay Area Water Supply and Conservation Agency | • San Francisco Public Utilities Commission |
| • City of Napa | • Santa Clara Basin Watershed Management Initiative |
| • City of Palo Alto | • Santa Clara Valley Water District |
| • City of San Jose | • Solano County Water Agency |
| • Contra Costa County Flood Control and Water Conservation District | • Sonoma County Water Agency |
| • Contra Costa Water District | • Zone 7 Water Agency |

ABAG, a Joint Powers Agency of the cities and counties in the Bay Area, will provide a direct link with these agencies to obtain endorsement of the IRWMP. Other entities, such as environmental groups, and state agencies, including the Bay Area Regional Water Quality Control Board and the California Bay-Delta Authority, have also participated in the development of the IRWMP.

The IRWMP has four major “functional area” components: 1) water supply/water quality; 2) wastewater/recycled water; 3) stormwater management/flood control; and 4) watershed management/habitat protection and restoration. A technical coordinating committee, composed of members preparing each of the four components, including the Conservancy, was formed to compile the four components into a single, integrated IRWMP. As a living document, the IRWMP will be updated periodically.

The IRWMP includes 1) an assessment of regional water management needs; 2) identification of opportunities for regional coordination and collaboration among various entities that have not historically been partners; and 3) recommendations for priority multi-objective projects encompassing water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, recreation and access, wetlands enhancement and creation, and environmental and habitat protection and improvement.

Regional goals were developed that characterize the common water resources management interests of entities across functional areas and geographic boundaries, both internal and external to IRWMP development. These regional goals, listed below, also reflect the specific objectives set forth in each of the functional area documents:

- Contribute to the promotion of economic, social, and environmental sustainability
- Contribute to improved supply reliability
- Contribute to the protection and improvement of hydrologic function
- Contribute to the protection and improvement of the quality of water resources
- Contribute to the protection of public health & safety; and property
- Contribute to the creation, protection, enhancement, and maintenance of environmental resources and habitat

The objectives associated with the above goals are included in the Executive Summary of the Bay Area IRWMP, provided in Exhibit 3.

The IRWMP contains well reasoned, publicly supported recommendations for priority projects that, when implemented, will assist the region in meeting state and federal environmental laws and regional plans related to protection and restoration of habitat for special status and other species, and in improving water quality. The IRWMP will also improve regional competitiveness for State and federal grant funding, as representatives of state resource agencies and state legislators have suggested that state grants and other funding criteria will increasingly involve integrated regional water management planning.

Project History:

Recent legislation and grant programs have identified the need for, and required or encouraged, integrated regional water management planning. For example:

- The Integrated Regional Water Management Act of 2002 (SB 1672, Costa) was designed to facilitate the development of integrated regional water management plans, thereby maximizing the quality and quantity of water available to meet the state's water needs by providing a framework for local agencies to integrate programs and projects that protect and enhance regional water supplies.
- In November 2002, California voters passed Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. The IRWM grant program implements Chapter 8 of Proposition 50 (Integrated Regional Water Management projects), California Water Code Section 79560 *et seq.* The intent of Chapter 8 of the Proposition 50 is to provide funding for competitive grants for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. DWR and SWRCB have issued guidelines for preparation and evaluation of IRWMPs that place great emphasis on identifying projects that integrate multiple objectives.
- The Watershed, Clean Beaches, and Water Quality Act (Division 20.4, section 30901 *et seq.* and Division 21, Chapter 5.5, section 31220 of the Public Resources Code) established the Integrated Watershed Management Program to coordinate and integrate statewide watershed, funding, projects, and programs.

In response to the State's emerging emphasis on integrated regional water management planning, Bay Area public agencies involved with water resource management agreed to develop an IRWMP for the Bay Area. Given the Conservancy's and its partner's integral roles in watershed management, habitat protection and restoration in the Bay Area, the Conservancy was requested to participate in development of the Bay Area IRWMP. On September 15, 2004, the Board authorized funding for development of the Bay Area Watershed component (WMHPRP). Subsequently, through a competitive selection process, the Conservancy was selected by DWR for funding of \$451,230 for preparation of the Watershed and Flood/Stormwater components of the Bay Area IRWMP and for the integration of these components into the IRWMP.

PROJECT FINANCING:

Adoption of the IRWMP does not involve financing.

The Project Financing sections from the previous project Staff Recommendations in Exhibit 2 provide historical financing information.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The IRWMP (the project), including its development and proposed adoption, was undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31165, to address resource goals in the Bay Area.

Public Resources Code Section 31162 authorizes the Conservancy to undertake projects and award grants in the nine-county San Francisco Bay Area that meet specified goals. Under §31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. The project achieves these objectives by identifying multi-objective, priority projects in need of funding, involving protection, restoration, and enhancement of natural habitats and connecting corridors, watersheds, and open space.

Consistent with the goals specified in §31162(c), development and adoption of the IRWMP and its watershed component, in particular, implements the policies and programs of the *San Francisco Bay Plan*, as described in the "Consistency with the San Francisco Bay Plan" section of this staff recommendation.

The project is also consistent with §§31163(a) and (b), that direct the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area for the purpose of implementing long-term resources and outdoor recreational goals.

Finally, the project satisfies all of the criteria for determining project priority under §31163(c), as follows: it (1) is supported by adopted regional plans (*San Francisco Bay Plan*, *San Francisco Baylands Ecosystem Habitat Goals Report*, and the *Water Quality Control Plan* for the San Francisco Bay Basin); (2) is multi-jurisdictional (spanning nine counties) and serves a regional constituency; (3) can be implemented in a timely way (Plan adoption will allow projects to be eligible for funding within the next year); (4) provides opportunities for benefits that could be lost if the project is not quickly implemented (integrated, long-term planning is necessary to leverage funds and achieve watershed and habitat goals in a timely manner).

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 9 Objective A** of the Conservancy's Strategic Plan, the project helps the Conservancy maintain an updated list of identified high-priority areas, including projects that protect and restore natural habitats and other open-space lands of regional significance, for the Bay Program.

Consistent with **Goal 10, Objective B**, the project develops a plan for all watersheds draining to the San Francisco Bay, which includes restoration and enhancement projects.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** No funding is required for adoption of the Plan.
3. **Support of the public:** This project is supported by ABAG, representing cities and counties of the Bay Area and nearly all of the region's population.
4. **Location:** The plan addresses the nine-county San Francisco Bay Area, all within the jurisdiction of the San Francisco Bay Area Conservancy Program.
5. **Need:** Grants awarded to eligible projects through the Proposition 50 IRWM grant program are required to be consistent with an adopted IRWMP. Adoption of a Bay Area IRWMP would facilitate funding eligibility for water-related projects in the Bay Area to be implemented by the Conservancy or its partners.
6. **Greater-than-local interest:** The IRWMP will facilitate on-going coordination, collaboration and communication among various water resource related entities throughout the San Francisco Bay Area.

Additional Criteria

7. **Urgency:** The Bay Area IRWMP must be adopted by January 1, 2007 in order for the region to be eligible for project implementation grant funding under the IRWMP (Proposition 50, chapter 8) grant program.
8. **Resolution of more than one issue:** The IRWMP identifies multi-objective projects for implementation (e.g., habitat restoration, water quality improvement, flood control, and enhanced recreational opportunities).
9. **Leverage:** Adoption of the IRWMP will make certain Conservancy projects eligible for IRWMP implementation funding, thereby leveraging the Conservancy's funding.
10. **Conflict resolution:** The IRWMP facilitates coordination, collaboration and communication among various water resource related entities throughout the San Francisco Bay Area, and thereby enhances resolution of water-related conflicts.
11. **Innovation:** The Bay Area IRWMP initiates a new paradigm for coordinating efforts to protect and enhance water resources and facilitate identification and implementation of critical multi-objective, multi-agency projects.
12. **Readiness:** The Bay Area IRWMP is completed and ready to be adopted.
15. **Cooperation:** The Conservancy and its partners have worked closely with various Bay Area entities (e.g., agencies, nongovernmental organizations) in developing the IRWMP.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The project is consistent with the following policies of BCDC's San Francisco Bay Plan:

Part III

Water Quality

1. Bay water pollution should be prevented to the greatest extent feasible. The Bay's tidal marshes, tidal flats, and water surface area and volume should be conserved and, whenever possible, restored and increased to protect and improve water quality. Fresh water inflow into the Bay should be maintained at a level adequate to protect Bay resources and beneficial uses.
2. Water quality in all parts of the Bay should be maintained at a level that will support and promote the beneficial uses of the Bay as identified in the San Francisco Bay Regional Water Quality Control Board's *Water Quality Control Plan, San Francisco Bay Basin* and should be protected from all harmful or potentially harmful pollutants.

COMPLIANCE WITH CEQA:

The IRWMP is a planning activity that identifies possible future actions that have not been approved, adopted, or funded. Therefore, this project is categorically exempt from California Environmental Quality Act (CEQA) review under 14 California Code of Regulations Section 15262. Similarly, the project is statutorily exempt from CEQA review under Section 15306, which exempts basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

Adoption of the IRWMP indicates concurrence with the IRWMP regional goals and objectives. This adoption is not a direct commitment of resources, but rather an agreement with regional priorities. In addition, as made clear by the proposed resolution, the Conservancy is not legally bound by adoption of the Plan to undertake any aspect of the Plan or to take any other action, nor is it limited in any way in connection with any other Conservancy activities within the San Francisco Bay Area (or elsewhere) by reason of adoption. As such, programmatic environmental analysis under CEQA is not triggered.

Implementation of each proposed project included in the Plan will be the responsibility of the project proponent and any applicable project partners. There is no joint commitment or responsibility by the IRWMP participants to implement any or all of the projects. Furthermore, the project proponents and applicable project partners have discretionary authority over project design and implementation, and may elect not to implement a project based on changing regional conditions and needs. If implementing a project, project proponents bear sole responsibility for ensuring CEQA requirements for the project are met.

Upon Conservancy approval of the proposed project, staff will file a Notice of Exemption.